

Congress of the United States
Washington, DC 20515

October 12, 2010

President Barack Obama
1600 Pennsylvania Avenue Northwest
Washington, D.C. 20500

Dear President Obama:

In recent weeks, it has been rumored that your administration is poised to make additional changes in U.S. travel policy with Cuba. We understand that changes being considered would repeal many travel restrictions imposed by 2005 regulations issued by the U.S. Department of Treasury and allow greater opportunity for academic, religious, and cultural travel to Cuba by citizens of the U.S.

We view such changes as a positive step that would help increase person-to-person contact between U.S. citizens and everyday Cubans. Increasing the contact our citizens are permitted to have with Cubans is key to spreading democratic principles and fostering change in the governance of Cuba. While we support repeal of these travel restrictions and urge you to move forward with this initiative, we also want to encourage you to take this opportunity to repeal additional Treasury regulations that restrict the access of U.S. farmers and ranchers to Cuban markets.

In 2000, Congress passed the Trade Sanctions Reform and Export Enhancement Act (TSRA). For the first time this allowed the export of agricultural products and medical supplies from the U.S. to Cuba.

Unfortunately, in March 2005, after four years of rapid growth in agricultural trade with Cuba, the U.S. Department of Treasury put into effect regulations that frustrated the very intent of TSRA. These regulations changed the meaning of "payment of cash in advance" to require Cuban buyers of U.S. commodities to make payment before the ships leave U.S. ports, rather than payment upon delivery of the commodities to Cuban harbors. Such a payment is inconsistent with normal trade standards and provides a disincentive to buy from U.S. companies. In addition, the rule also blocked direct transfers of funds from Cuban buyers to the accounts of U.S. sellers. Prohibition of direct cash payments substantially increased transaction costs by requiring a third-party intermediary and further frustrated trade flows.

Following imposition of these restrictions, total U.S. agricultural sales to Cuba significantly declined, as did our share of the Cuban import market. Rather than oppress the Cuban government, the Treasury restrictions punished U.S. agricultural producers as Cuba shifted its food purchases to other foreign markets like Vietnam, China, and Brazil.

Repealing the above-mentioned regulations that restrict agricultural sales to Cuba is one of the least controversial changes to current Cuba policy that can be made. During a recent House Committee on Agriculture business meeting where the Committee approved H.R. 4645, the Travel Restriction Reform and Export Enhancement Act, nearly every member of the Committee, both Democrat and Republican, agreed that they could support reforming the definition of payment of cash in advance and eliminating the ban on direct cash transfers.

Repeal of the agricultural trade restrictions found in the Treasury regulations would also serve to advance your goal to double U.S. exports over the next five years. Analysis conducted by Texas A&M University in March of this year estimated that changing the definition of payment of cash in advance and allowing direct cash transfers would increase U.S. exports to Cuba by \$271 million and result in a total U.S. economic impact of \$833 million.

Given the broad bipartisan support for changing the definition of payment of cash in advance to mean payment on delivery and eliminating the prohibition on direct cash transfers, we request that you include these changes in any regulatory change in U.S. policy toward Cuba. Such a change will result in positive impacts for both American farmers and the Cuban people. Thank you for considering this request.

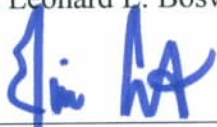
Sincerely,



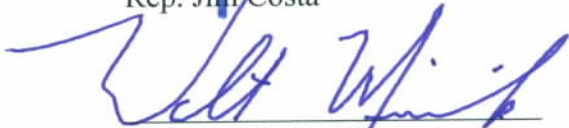
Rep. Collin C. Peterson



Rep. Leonard L. Boswell



Rep. Jim Costa



Rep. Walt Minnick



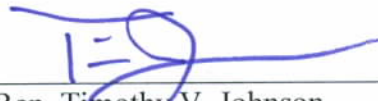
Rep. Earl Pomeroy



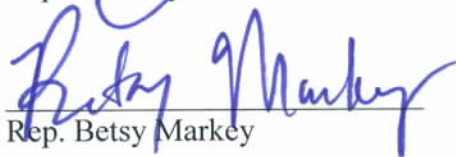
Rep. David Scott



Rep. Jerry Moran



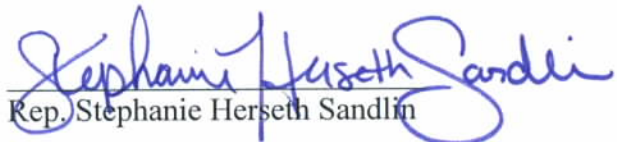
Rep. Timothy V. Johnson



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JM:aa